AGREEMENT

INDEPENDENCE LIGHT and POWER, TELECOMMUNICATIONS

AND

LOCAL UNION 55, I.B.E.W.

July 1, 2004 - June 30, 2007

INDEPENDENCE LIGHT and POWER, TELECOMMUNICATIONS

AND

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS NO. 55

This Agreement, made and entered into as of this first day of July 2004, by and between Independence Light & Power, hereinafter known as the Utility and Local Union No. 55, International Brotherhood of Electrical Workers, AFL-CIO, hereinafter known as the Union.

WITNESSETH:

This Agreement is entered into for the purposes of facilitating the peaceful and satisfactory adjustment of differences that may arise from time to time and to promote harmony and efficiency, to the end that the Utility, its employees, the Local Union and the general public may mutually benefit; and the parties hereto contract and agree with each other as follows, to-wit:

ARTICLE I

Recognition of the Union

Section 1.01. The Union, having been certified by an order of the Public Employment Relations Board, Case No. 5, dated May 6, 1976, at Des Moines, Iowa, to which certification reference is hereby made, the Utility agrees to negotiate and bargain exclusively with the Union through its duly accredited officers and representatives, in respect to wages, rates of pay, hours of employment and working conditions for the following employees of the Utility:

All linemen, groundmen, truck-drivers, equipment operators, substation men, working foremen, apprentices, tree trimmers, electricians, metermen, meter repairmen, servicemen, laborers, physical workers, plant operators 1, 2, 3, and 4, plant maintenance men, plant mechanics and telecommunications employees.

Excluding all office and clerical employees, those employees excluded by Section 4 of the Act and all other municipal employees.

Section 1.02. The Utility further agrees that if other classifications come under the jurisdiction of the Union it will make an addendum to this Agreement covering such employees.

ARTICLE II

Management Rights

Section 2.01. The Union agrees that in addition to all powers, duties, and rights established by a constitutional provision, statute, ordinance, charter, or special act, the exclusive power, duty and right to direct the work of its public employees; hire, promote, demote, transfer, assign and retain public employees position within the public agency; suspend or discharge public employees for proper cause; maintain the efficiency of governmental operations, relieve public employees from duties because of lack of work or for other legitimate reason; determine and implement reason; determine and implement methods, means, assignments and personnel by which the public employer's operations are to be conducted; take such action as may be necessary to carry out the mission of the public employer; initiate, prepare, certify, and administer to budget; exercise all powers and duties granted to the public employer by law, are reserved to and vested in the Utility except to the extent modified by specific provisions of this Agreement and subject to those modified provisions. The Utility will notify the Union Steward at the same time that it notified the employee that he is being laid off under the provisions of this Section.

ARTICLE III

Cooperation

Section 3.01. An employee of the Utility who may be duly delegated to transact business for the Union, other than with the Utility, which requires absence from duty, shall upon one (1) forty-eight (48) hour written notice to the employee's immediate supervisor and with the

permission of the proper representative of the Utility, be allowed to absent himself without pay for sufficient time to transact such business. Permission will not be unreasonably denied.

The Union agrees for its members who are employees of the Utility that they will individually and collectively perform, safe, efficient and diligent service; that they will use their influence and best efforts to protect the property of the Utility and its interests and they will cooperate in promoting and advancing the welfare of the Utility and its service at all times as a matter of enlightened self-interest.

Section 3.02. The Utility agrees, on its part, that it will cooperate with the Union to promote safe operations, harmony, and efficiency among the Utility's employees under this Agreement.

Section 3.03. The Utility and Union jointly and mutually declare it to be their purpose and intent to carry out in good faith the provisions of this Agreement and to engage in no subterfuge for the purpose of defeating or evading the provisions hereof.

Section 3.04. Any dispute must be handled as stated herein.

Section 3.05. The Union will be allowed reasonable space on bulletin boards for the purpose of posting bulletins relating to the business of the Union.

Section 3.06. The Utility agrees to make deductions for regular monthly Union dues upon proper written authorization by the employee, and to forward the amount so deducted to the Financial Secretary of the Local Union in accordance with a procedure approved by the Utility and the Union. It is understood that any authorization for such payroll deduction shall be voluntary on the part of the employee and shall be subject to cancellation at any time upon thirty (30) days written notice by the employee to the Utility. Should the Utility be held liable for any observance or compliance with any Union dues authorization, the Union will hold the Utility harmless from any such liability and any costs, expenses, and attorney fees incurred thereby. The Union shall submit authorization cards to the Utility at least fifteen (15) in advance of the desired dues check-off date.

ARITICLE IV

Settlement of Differences - Grievances - Arbitration

It is agreed that duly authorized representatives of the Union shall have access to the Utility's properties where employees covered by this Agreement are employed; however, that employees performance of regular duties are not to be interfered with. The Union shall keep the Utility advised as to the names of the Stewards and Representatives who, at any time are accredited to act under this Agreement.

Section 4.01. A grievance is a claim presented by an employee within the bargaining unit that there has been a violation, misinterpretation or misapplication of any provision of this Agreement. A "grievant" is that person or persons making such claim.

Section 4.02. In the event any employee has a grievance as to his employment by the Utility under the terms of this Agreement, the employee shall follow the following procedure:

Section 4.02a. Within six (6) work days after the alleged violation, the employee will set forth the grievance in writing and submit it to his Union Representative and Supervisor. The Supervisor and Union Representative will then meet with the employee to seek a satisfactory solution.

<u>Section 4.02b.</u> If the matter is not settled in Step "A" within six (6) work days, the grievance shall be referred to the Business Manager of the Union, or his representative, as soon as possible and make an effort to settle the grievance.

Section 4.02c. If the matter is not settled in Step "B" within five (5) work days (or such longer time as may be agreed to in writing), the matter shall be subject to the procedure set forth in Section 4.03 of this Article.

Section 4.02d. Any grievance beyond Step "A" shall be written in triplicate with a written statement of action taken at every step of the procedure. When the grievance is finally settled, a copy shall be given to the Utility Manager, the Union Representative, and the employee.

Section 4.02e. In the event the Utility has a grievance involving an employee or the Union, the Utility will follow similar steps until the matter is settled.

Section 4.03. If the employee and the Union are not satisfied with the disposition of the grievance in 4.02b, the Union shall submit a written request for binding arbitration within fifteen (15) working days from the receipt of the written answer from the Utility Manager in 4.02b. Within ten (10) working days after a written request for arbitration the Utility and the Union, through their representatives, shall attempt to agree upon a mutually acceptable arbitrator. If an agreement is not reached, a request for a list of arbitrators shall be made to the Federal Mediation and Conciliation Service by the Utility or the Union. The list shall consist of five (5) arbitrators. The parties shall meet within fifteen (15) working days after receipt of the list. The parties shall determine by lot which party shall have the right to remove the first name from the list, and determine arbitrator by alternately striking a name. The person whose name remains shall be the arbitrator. The arbitrator shall confer with the representatives of the Utility and the Union and hold hearing promptly and shall issue his binding decision within twenty-one (21) days after the date of the close of the hearings. The arbitrator's decision shall be in writing and shall set forth his findings of fact, reasoning and conclusions on the grievances submitted. The arbitrator shall consider and decide but one grievance. The decision shall be binding on both parties. The costs for the services of the arbitrator, a court reporter and the cost of the hearing room shall be borne equally by the Utility and the Union. Any other expenses incurred shall be paid by the party incurring them.

Section 4.04. No employee shall lose his wages while the matter is in the hands of the arbitrator for decision, provided such an employee works during this period of time; however, if the arbitration involves the suspension or discharge of an employee and if the employee is found by the arbitrator to have been improperly laid off, suspended, or discharged, then the employee's record shall be cleared of such charges, and he shall be paid his guaranteed work time from the time of discharge, suspension or lay-off to the time of reemployment.

ARTICLE V

Seniority

Section 5.01. Seniority, as defined herein, shall apply as to the length of time in a classification and shall apply when bidding to a higher classification and shall be continuous up to the date of discharge or resignation and thereupon shall be terminated.

Length of service, as used herein, is defined as the rights accruing to employees from the date of employment which entitled them to preferences provided for in this Agreement.

Section 5.02. "Qualifications" as used herein is defined as the training, knowledge, physical fitness, ability and skill of an employee related to the particular work in connection with which the term is used. Qualifications shall be determined solely by management, subject to the grievance procedure, provided that the setting of qualifications by the Utility shall be presumed to be reasonable.

Section 5.03. Seniority of new employees.

Section 5.03a. All new employees shall be hired as probationary or temporary employees.

Section 5.03b. All new employees covered by the classifications made a part of this Agreement shall serve a probationary period of not less than six (6) months and may be released at any time during such period if the Utility decides they are not qualified or suited for employment. All such employees shall be added to the seniority lists and covered by the provisions of this Agreement upon completion of this probationary period, and the length of service date of the employee shall be the date of last hire.

Section 5.03c. All new employees who are hired on a temporary basis are subject to release when the particular work for which they were hired has ceased to exist; and in accord with the subcontracting provisions of this Agreement and further, if the employee remains longer than the probationary period (which may be extended on agreement of the parties), shall be subject to the terms and provisions of this Agreement.

Section 5.04. Employees who have been laid off because of lack of work and during the terms of this Agreement, shall retain their accumulated seniority for a period of one (1) year if they return to the employment of the Utility as promptly as circumstances permit, but not to exceed thirty (30) days, except by mutual agreement, after notification by the Utility of its willingness to re-employ them.

Section 5.05. Seniority rights shall govern in the matter of layoff or rehiring arising from periods of slack work. The first man to be laid off in any classification shall be the man with the least Utility seniority in that classification; but upon layoff, such man may bump another man in any lower classification who has less seniority providing the first man is qualified, after a reasonable break-in period, to perform the job. The last man laid off shall be the first one recalled under this Section.

Section 5.06. The principles of seniority shall govern in promotions, demotions and the filling of old and new jobs providing the employee has the necessary qualifications to perform the work properly and efficiently and subject to the provisions of this Article.

Section 5.07. All job vacancies, including old as well as new jobs covered by this Agreement, shall be filled by the following procedures:

Section 5.07a. The vacancy or new job shall be posted in all areas of the Utility on the existing bulletin boards that are provided for the Union for a period of three (3) working days for signature of bidders. Such bid posting shall state the job classification which is open, location of work and starting rate of pay.

Section 5.07b. Employees who at the time are absent during this entire period due to sick leave, vacation or other valid reasons, shall be given an opportunity to bid for the job by the immediate supervisor in charge of such employees making proper notation on the bid list.

Section 5.07c. When a vacancy is filled through the above procedure, the Utility Manager shall within twenty (20) days of the date of the original posting date, post a notice giving the name of the employee awarded the assignment, and a copy of the notice shall be sent to the Business Manager of the Union. An employee shall not be required to exercise his

seniority rights nor shall he sacrifice any future rights to bid on later vacancies through his failure to do so. No vacancy shall be considered permanently filled, unless it has been filled through the above procedure.

Section 5.07d. If, after following the above procedure, no qualified bids are received, the Utility shall be free to fill the job by hiring a new employee or the Utility may require a qualified existing employee with the least seniority to transfer to the new job, such new job shall be of the same or higher classification as the employee's present job.

Section 5.08. Regular employees on seniority lists released due to lack of work, or for cause not the fault of the employee, shall be entitled to two (2) weeks advance notice in writing. Employees discharged for just cause shall not be entitled to any advance notice, but may request a joint hearing before the Utility and Union in accordance with the provisions of Article IV. Regular employees on seniority lists leaving the employment of the Utility of their own volition shall give the Utility two (2) weeks notice or forfeit all rights under this Agreement.

Section 5.09. Employees of the Utility covered by this Agreement who shall serve in the Armed Forces of the United States shall have such benefits as are provided by the laws of the United States.

Section 5.10. Any employee of the Utility covered by this Agreement who is injured while on duty shall continue to accumulate seniority during his absence due to injury, and shall be reinstated upon recovery to his former position with full seniority rights, provided he is qualified to return to work. It is understood that when such a man returns to work the regular rules of seniority will prevail for those men below him on the seniority list, unless otherwise mutually agreed upon between the Union and the Utility.

ARTICLE VI

Working Conditions

Section 6.01. When it is necessary for an employee to work away from the normal area of the Utility in the service of the Utility, the Utility will pay the actual, reasonable and necessary lodging and meal expense. When an employee is working to assist another

organization away from the normal area of the Utility, he shall be paid his normal rate of pay or the prevailing rate of pay, whichever is higher, for all hours worked and for his travel time.

Section 6.02. The Utility will furnish all necessary safety equipment for the protection of men working on energized lines or equipment, including approved hot line tools and it is the rules of the parties hereto that they be used. The Utility will pay the full cost of uniforms for all full-time covered employees. Uniforms will be made of cotton for safety and any added cost of an insignia will be paid by the Utility.

The Utility will furnish all equipment and tools in fixed locations. Such equipment and tools are not to be removed from the premises without the permission of the Utility Manager.

Section 6.03. The Utility agrees that it will not contract any work which is ordinarily done by its regular employees, if as a result thereof it would become necessary to lay off or reduce the rate of pay of any such employee.

Section 6.04. The Utility provides one fifteen (15) minute rest period each working half-day, when the employee's work and time permits.

Section 6.05. The Utility will not require men covered by this Agreement to work out of doors during unreasonable weather conditions unless such work is necessary to protect life or maintain service to the public.

Section 6.06. Each employee shall be assigned an established job classification and shall receive the proper rate of pay in accordance with Exhibit "A" of this Agreement for the performance of the duties of the classification and incidental duties. The parties agree that each employee has the responsibility to carry out the assignments in the job classification in which he is working, either alone or together with other employees, consistent with safety.

Although an employee will normally perform work associated with his classification, he will be expected to perform any work which he is qualified to do connected with the operation of the Utility no matter what his job classification may be. No employee shall suffer a reduction in pay for doing work of a lower paid classification.

Section 6.07. Apprentice Lineman are understood to be employees in training to become Journeymen Lineman and are subject to the following rules:

Section 6.07a. Apprentice Linemen shall have four (4) years on the job training and will receive the rates of pay provided for in Exhibit "A".

Section 6.07b. For the first six (6) months apprentices shall not work on energized lines or circuits.

Section 6.07c. After six (6) months apprentices may work on all lines and circuits when not energized and on energized lines and circuits up to 600 volts.

Section 6.07d. After one and one-half (1½) years apprentices may work on energized lines and equipment under the supervision of a Journeyman Lineman.

Section 6.07e. The foregoing apprentice training schedule is based on a normal four year period and is effective if the apprentice makes normal progress in learning the work and acquiring and using line-craft skills. If any apprentice does not make such normal progress, his employment as an apprentice lineman shall be terminated for lack of qualifications. The normal four year apprentice training period may be reduced as determined by the Utility to give appropriate recognition to job training skills acquired from approved vocational training schools or from training acquired from other comparable training programs.

<u>Section 6.08.</u> Apprentice Operators are understood to be employees in training to become Plant Operators and are subject to the following rules:

<u>Section 6.08a.</u> Operator 4 - Operator 4 shall work under the supervision of an experienced operator. He shall be expected to be able to start and stop engines, synchronize on line, and gain familiarity with equipment and procedures.

Section 6.08b. Operator 3 - Operator 3 shall be under the supervision of an experienced operator. He shall be expected to gain confidence in the operation of the plant and equipment; know the procedures and handle routine situations.

Section 6.08c. Operator 2 - Operator 2 shall be under the supervision of an experienced operator and shall be able to handle emergency situations. He should be thoroughly knowledgeable in the operation of generation facilities.

Section 6.08d. Operator 1 - Operator 1 shall perform all duties listed above and be able to handle all emergencies within the scope of his job.

It is understood that advancement to succeeding steps shall take six (6) months. Such advancement shall be on satisfactory completion of each step.

<u>Section 6.09.</u> Supervisory personnel shall not perform the work of hourly rated employees if that work would displace or reduce the rate of pay of such employee.

Section 6.10. The Utility shall post monthly, on appropriate bulletin boards, a list showing the total sick leave and vacation accrued and for the year to date shall show the amount used.

ARTICLE VII

Working Hours - Overtime

Section 7.01. The normal work week shall consist of forty (40) hours of five (5) consecutive days, Monday through Friday. The normal work day shall consist of eight (8) work hours between 7:00 a.m. and 4:00 p.m. The normal work day and work week will not vary except in cases of mutual consent. This, however, does not apply to overtime, standby, or emergency duty.

Section 7.02. When it is necessary for hourly paid employees to work more than eight (8) hours in a work day, those employees shall be paid time and one-half their scheduled rate of pay for all hours in excess of eight (8) hours. Overtime will also prevail after forty (40) hours of credited work.

Section 7.03. Employees will be assigned standby duty for each pay week. An employee assigned standby duty for a normal pay week will be paid fourteen (14) hours of standby pay in addition to the applicable pay for any work performed. An employee assigned standby duty for

a pay week that includes a holiday or combination of holidays will be paid eighteen (18) hours of standby pay in addition to the applicable pay for any work performed.

When three or more employees are called out for standby duty (and no supervision is available) the lineman on call will receive foreman pay. A minimum of two (2) hours pay at regular overtime rates shall be allowed to all employees who are called in on trouble calls after having been released from the regular day's work; or if called before their regular starting time of any day. Employees must be called more than two (2) hours

before regular starting time in order to receive two (2) hours pay at the overtime rate. The

unloading of materials and freight before starting and quitting time will be paid at the applicable

rate of pay for the time worked.

An employee who is required to continue work for a period longer than two (2) hours beyond the scheduled quitting time shall be entitled to a meal of reasonable expense furnished or paid for by the Utility and to an additional meal for each additional six (6) hours worked thereafter.

Any employee who is called to work before or after his regular work day schedule (Monday through Friday), misses a meal and is working during the mealtimes listed below, shall be entitled to a meal of reasonable expense paid for by the Utility. For employees working on Saturday or Sunday, in order to qualify for meal expense reimbursement, the employee must miss a meal, be working during the meal periods listed below, and work two or more consecutive hours. Overtime meals shall be eaten on the Utility's time. A dated receipt, initialed by the department head, shall be presented for payment of meals.

Meal times are defined as follows:

Breakfast: 6:30 a.m.

Dinner: 12:00 Noon - 12:30 p.m.

For Plant Employees: 12:00 Noon - 1:00 p.m.

Supper: 6:00 - 6:45 p.m.

Section 7.04. Scheduled overtime shall be distributed as equally as practicable among the men with classifications who regularly perform the class of work being done. When an employee is called to work overtime and he turns down the call, he will be charged for overtime distribution purposes with the same number of equivalent hours which the employee who accepts the call is charged. A designated Union Representative may have the privilege of examining the Utility's overtime distribution list.

The Utility will post on appropriate bulletin boards, monthly, an overtime report listing the amount of overtime work by each employee during the pay periods included in the previous month, and for the year to date, and overtime hours shall be shown on the list in equivalent straight-time hours.

Employees shall not be required to take time off during regular scheduled work hours for overtime worked or to be worked.

Section 7.05. An employee who has worked sixteen (16) hours or more in any twenty-four (24) hour period shall be paid at double the straight time rate for all hours worked in excess of sixteen (16) hours, and shall upon release, be entitled to a six (6) hour rest period before he returns to work. If this rest period extends into his regular scheduled working hours for four (4) hours or more, he shall be excused from his regular tour of duty for that day, and shall lose no pay thereby. If the rest period extends into his regular scheduled hours by less than four (4) hours, he shall be excused from that portion of his regular hours, and lose no pay thereby. After receiving such rest period, the employee shall not thereafter become subject to the provisions of this Section until he again works sixteen (16) hours in a subsequent twenty-four (24) hour period. Such subsequent twenty-four (24) hour period shall not commence earlier than his reporting to work following the rest period. The twenty-four (24) period shall commence at the start of a regular work day.

Section 7.06. When it is necessary for hourly paid employees to work on Saturday or Sunday, those employees shall be paid one and one-half (1½) times their scheduled rate for all hours worked.

Section 7.07. All overtime work shall be authorized by a designated representative of the Utility management.

Section 7.08. When an employee is required to use his personal vehicle in service to the Utility, he shall be reimbursed for auto expense at the rate of \$4.00 per day or 20 cents per mile, whichever is greater.

Section 7.09. Employees who, because of physical disability or lack of other qualifications, are unable to perform fully the duties of a regular job classification, may be retained or employed by agreement between the Utility and the Union as to the special conditions of their employment and rates of pay.

Section 7.10a. Effective July 1, 2004, employees will be permitted to accrue and use up to eight (8) hours of compensatory ("comp") time per contract year. Effective July 1, 2006, employees will be permitted to accrue and use up to twelve (12) hours of compensatory ("comp") time per contract year. Comp time hours will accrue as they are paid; if an hour of work would be paid at time and one-half, one and one-half (1 ½) hours of comp time will accrue.

Section 7.10b. Employees will notify management of their intention to accrued comp time in lieu of overtime and/or standby or on call pay. Employees who desire to use accrued comp time hours will notify their supervisors. Accrued comp time shall not be used unless the employee obtains advance supervisory approval. The Utility will pay out as wages any accrued comp time that is not used by the end of a contract year (June 30).

ARTICLE VIII

Holidays

Section 8.01. The Utility will pay each of its employees eight (8) hours of regular pay for the following holidays: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Veteran's Day,

Christmas Eve Day, Christmas Day and New Year's Eve Day. When a holiday falls on Saturday, the holiday will be observed on the preceding Friday. When a holiday falls on a Sunday, the holiday will be observed on the following Monday. When holidays fall on two consecutive days, management will advise the days that will be observed.

Each employee shall have two personal leave days, to be taken at the employee's option. An employee must notify his immediate supervisor at least forty-eight (48) hours in advance of his intention to be absent. Permission for the use of the personal leave day shall not be unreasonably denied.

Section 8.02. Whenever an employee is required to work on the day on which a holiday is observed to maintain or restore service or protect equipment or has the approval of his immediate supervisor or foreman, the Utility will pay the employee the allowed holiday straight time plus double time for the number of hours worked. In the event a holiday falls within an employee's vacation period, the employee is entitled to one (1) extra day's vacation. For purposes of this provision, the holiday premium for hours worked will begin as 12:01 a.m. and end at 12:00 midnight on the day on which the holiday is observed.

ARTICLE IX

Vacations

Section 9.01. All full-time regular employees covered by this Agreement shall be entitled to vacations each anniversary year in accordance with the following:

Section 9.01a. During the first year of employment (until the anniversary date) the employee shall accrue vacation at a rate of 5/12 days per month.

Section 9.0lb. After the first anniversary year in the second year of employment and each year thereafter through the eighth anniversary year, the employee shall accrue vacation at a rate of 10/12 days per month.

Section 9.01c. After the eighth anniversary year in the ninth year of employment and each year thereafter through the nineteenth anniversary year, the employee shall accrue vacation at a rate of 15/12 days per month.

Section 9.01d. After the nineteenth anniversary year in the twentieth year of employment and each year thereafter, the employee shall accrue vacation at a rate of 20/12 days per month.

Section 9.02. Vacation accrued in one anniversary year shall be taken the next anniversary year ("vacation year"). However, an employee may carry forward an additional five (5) days vacation from one vacation year to the next vacation year.

Section 9.03. Employees shall receive their regular rates of pay for their regular scheduled work week for each week for vacation.

Section 9.04. The Utility will respect the wishes of the employees as to the time of taking vacations, subject to work load needs of the Utility and seniority. Employees shall request and schedule vacations at least two (2) calendar weeks in advance when taking one-half (½) of their accumulated vacation or more. When taking vacation in units of one day or less, forty-eight (48) hours notice shall be given whenever possible.

Section 9.05. For 1995 only, as the Utility changes from a calendar vacation year to an anniversary year, some special vacation rules will apply. Employees may use all vacation vested as of January 1, 1995 during calendar year 1995. In addition, employees may use (from July 1, 1995 through December 31, 1995) all vacation accrued from January 1, 1995 to June 30, 1995. After July 1, 1995, employees will continue to accrue vacation at the appropriate rate, which vacation may be used in the next anniversary year. An employee may carry forward fifteen (15) days of vacation from the first vacation year ending after July 1, 1995 to the next vacation year. Thereafter an employee may carry forward only five (5) days of vacation from one vacation year to the next.

ARTICLE X

Sick Leave - Other Leave

Section 10.01. Temporary and part-time employees are not eligible to accrue sick leave benefits. All other employees shall accrue sick leave at a rate of 24/12 days per month to a maximum of two hundred and eighty (280) days.

Section 10.02. In the event of sickness or off-the-job injury, the employee will receive a total not to exceed eight (8) hours straight time pay at the employee's regularly classified wage rate for each work day that he is sick or unable to work because of such sickness or injury to the extent of his earned sick leave credit; but not more than forty (40) hours of sick leave benefit at straight time pay in any one week. Sick leave is in no way to be construed as additional vacation time. To the extent that the employee is entitled to short or long term disability benefits under a program offered by the Utility, benefits under this provision shall be adjusted so that the employee does not receive an amount in total that is greater than the employee would have earned if that employee had been actively working.

Section 10.03. Employees may use accumulated sick leave where required to care for spouse, parent or dependent child. Maximum sick leave that can be used for this purpose is four (4) days per year. The employer may require medical documentation.

Section 10.04. Upon retirement, medical disability, retirement or death, an employee will be paid for fifty (50) percent of up to 240 days of his or her accumulated sick leave. To the extent permitted in any retirement program as adopted by the Board of Trustees of the Utility, at the time of retirement the employee shall have the option to purchase continued health insurance coverage in lieu of taking pay for accumulated sick leave. Refer to Resolution adopted by the Board of Trustees dated May 21, 1996.

Section 10.05. The granting of sick leave is subject to the following requirements:

Section 10.05a. Prompt notification - An employee who is to be absent on account of sickness or off-the-job injury shall notify his supervisor or the manager as early as practicable

on the first day of such absence. Failure to give such notice may result in the absence being charged to vacation or leave without pay as circumstances may justify.

Section 10.05b. Application that requires prior approval - Applications for sick leave for medical, dental, optical and chiropractic examinations or treatments shall be submitted to the department head accompanied with physician's recommendations, prior to the beginning of leave. If the Union and Utility agree that the period of leave required is not reasonable, it shall be charged to annual vacation or leave of absence.

Section 10.05c. Medical Certificates - The Utility may require an employee to furnish a medical or dental certificate certifying that the employee was unable to work. In cases where a supervisor dismissed a man on duty because of illness, sick leave benefit for the balance of the work day is automatically allowed.

Section 10.05d. Sick leave benefits will not be available for any employee for injuries sustained by such employee while engaged in or employed by any business other than this Utility.

Section 10.05e. Any employee found guilty of abusing the sick leave provisions contained in this Agreement shall be subject to discipline not only by the Utility, but also by the Union.

Section 10.05f. Any employee who is hereafter injured and disabled while on duty and arising out of the course of duty and, further, while obeying the safety rules of the Utility, shall be paid the greater of (1) his or her worker's compensation benefits, or (2) ninety (90) percent of his or her regular net pay for forty (40) hours each week, but not to exceed eighteen (18) weeks. For purposes of this provision, net pay is defined to equal gross straight time wages for forty (40) hours per week less regular federal and state withholding and any withholding for FICA. In the event the employee elects (2) above, the Utility will pay the difference between the ninety (90) percent figure and the total of any worker's compensation benefits and disability insurance benefits received for that pay period. Such payment shall be made after the employee has produced proof of payment of worker's compensation benefits (and the specific amount) and

proof of receipt of disability insurance benefits (and the amount). If the period of disability for such an employee continues for more than eighteen (18) weeks, the employee shall receive worker's compensation benefits as allowed by law and any disability insurance to which that employee may be entitled. Absence from work due to a job injury as set forth above shall not be charged against the employee's sick leave credit. After eighteen (18) weeks, the employee may apply a pro rata accumulated sick leave credit to supplement payments under worker's compensation to obtain his or her regular rate of pay.

Section 10.05g. No more than twenty (20) times per year, each employee will be granted one (1) hour time for medical, dental, or chiropractic appointments.

Section 10.06. The Utility will grant up to three (3) days off with pay in the event of grave illness, as defined by a physician as critical condition, in the employee's immediate family, including husbands, wives, or dependent children, upon receipt of a written statement signed by a licensed physician.

The Utility will grant up to three (3) days off with pay at the employees regular applicable wage rate in the event of death in the employee's immediate family, including wives, husbands, fathers, mothers, fathers-in-law, mothers-in-law, sisters-in law, brothers-in-law, brothers, sisters, sons, daughters, foster parents, grandparents, and grandchildren.

This provision also applies to the death of an employee. The determination of whether the days off shall be one, two, or three shall be at the discretion of the employer. Any request for up to three days off shall not be unreasonably denied.

Section 10.06a. If a holiday falls within the three days allowed for funeral leave, there will be no extra time and pay allowed.

Section 10.07. The Utility will grant up to one (1) day off to attend a funeral.

Section 10.08. An employee called to serve on civic duty will be paid the difference in pay between check received for civic duty and their regular pay. An employee shall show the check received for civic duty and the Utility will pay the difference.

ARTICLE XI

Classification of Employees & Wage Rates

Section 11.01. Classification of employees and wage rates for the employees included in this bargaining unit are set forth in Exhibit "A" attached hereto and made a part hereof.

ARTICLE XII

Insurance - Retirement - Miscellaneous

Section 12.01a. During the term of this Agreement, the Utility agrees to make available for its employees health care (Wellmark Blue Access Plan B6H\X25 and Alliance Select Plan U21QPT), dental (Blue Dental Plan 206) and vision care (VSP Well Vision Plan B) benefits.

Section 12.01b. The employee contribution for the Blue Access benefits will be \$10 per month for single coverage; \$20 per month for coverage for employee plus spouse (or children); and \$30 per month for full family coverage. Employees will have the option of selecting Alliance Select benefits. However, the Utility will contribute to such coverage only in the amount the Utility would contribute for corresponding Blue Access coverage. Any additional cost will be the sole responsibility of the employee.

Section 12.01c. Employees will contribute \$10 per month for dental benefits.

Section 12.01d. To encourage cost effectiveness with respect to employee health care coverage decisions, the Utility will offer incentives to employees to reduce coverage levels. Any employee previously requiring full family coverage who makes alternative health care arrangements and reduces the level of Utility provided coverage to employee plus spouse (or children) will receive \$75 per month. Any employee previously requiring employee plus spouse (or children) coverage who reduces the level of Utility provided coverage to employee

only will receive \$75 per month. Any employee previously requiring full family coverage who reduces the level of Utility provided coverage to employee only will receive \$125 per month.

Section 12.02. The Utility agrees to pay \$5.50 per month on behalf of each active employee to the Colonial Life & Accident Insurance Plan (or some other substantially equivalent plan) for life and accident insurance for the Utility's employees and their dependents. Each employee has the option to apply such sum toward insurance benefits of his or her choosing with such company. Additionally, each employee has the option to purchase at his or her own expense any additional benefits at that employee's choosing for him or herself and/or dependents.

Section 12.03. The Utility agrees to pay the full cost of and to maintain life insurance coverage in the amount of \$25,000 (with an additional accidental death and dismemberment benefit) with Businessmen's Assurance Company of America (or a substantially equivalent policy provided by another carrier) for its employees, while they remain employed by the Utility.

Section 12.04. Retirement healthcare benefits are "retirement programs" under Iowa law (Supreme Court Mason City decision) and, therefore, are prohibited from the scope of bargaining under Iowa Code Section 20.9. The retirement healthcare program has been adopted by the Board of Trustees, the only entity with legal authority to make such determination.

Section 12.05. Employees of the Utility may purchase, for cash, items for their own personal use through wholesale outlets readily available to the Utility.

Section 12.06. Physical examinations shall be required of new employees prior to employment. The Utility shall pay the cost of the physical examination for new employees. Each employee of the Utility shall be required to have a physical examination every two (2) years.

Section 12.07. The Utility agrees to reimburse each employee up to \$100 per year for work boots or shoes.

ARTICLE XIII

Savings Clause

Section 13.01. In the event any provisions of this contract conflict with the existing laws of the United States or of the State, as determined by a court of competent jurisdiction, that part of said contract in conflict therewith shall not be applicable until such laws be changed, either by legislative action or judicial interpretation. It is specifically agreed, however, that all provisions of said contract not in conflict with the applicable laws shall be enforceable, and only that part that conflicts with said law shall be unenforceable; and nothing contained in this contract shall be construed as to require the Utility or the Union to violate any applicable laws. Both the Utility and the Union state that it is their intent to comply with all existing laws.

This Agreement shall be effective as of the first day of July, 2004, and shall continue in full force until 11:59 p.m. on the thirtieth day of June, 2007, and shall automatically be extended for each subsequent yearly period, unless either the Utility or the Union shall give notice in writing two hundred forty (240) days prior to the expiration of any such period that they wish to amend or terminate this Agreement. The parties shall agree to permit reopened negotiations concerning wages only each year the present Agreement remains in effect after June 30, 2007. Such reopened negotiations shall be allowed in the event either the Utility or the Union give notice of desire to reopen wage negotiations two hundred forty (240) days prior to June 30 of the year in which reopened negotiations are requested.

Section 13.02. If the Agreement is reopened as provided in Section 1 of this Article, such amendments as are proposed shall be furnished with such notice, but this shall not be interpreted to mean that new or revised proposals cannot be presented in the course of negotiations.

Section 13.03. Negotiations with regard to renewal agreement shall start not less than one hundred fifty (150) days prior to the expiration of the Agreement.

Section 13.04. This Agreement shall be binding and all previous policy declarations or statements shall be null and void.

Section 13.05. This Agreement shall be effective as of the first day of July, 2004, and shall continue in full force through the thirtieth day of June, 2007, subject to the vote of the employees and approval of the International Brotherhood of Electrical Workers International Office.

Dated this 21 day of UNE, 2004.

INTERNATIONAL BROTHERHOOD OF

ELECTRCAL WORKERS, LOCAL 55

By:

Business Manager

INDEPENDENCE LIGHT &

POWER

∕Chairman L.U. 55.6

INTERNATIONAL OFFICE-I.B.E.W.

JUN 2 9 2004

Edwin D. Hill, President This approval does not make the International a party to this agreement.

EXHIBIT "A"

WAGE SCHEDULE

Effective Effective Effective (7/1/05)(7/1/06)(7/1/04)Line Foreman \$24.94 \$23.50 \$24.21 Plant Foreman 24.88 23.45 24.16 23.90 Lineman 22.53 23.20 1st year Apprentice Lineman 16.74 17.24 17.76 2nd year Apprentice Lineman 18.72 19.29 18.18 3rd year Apprentice Lineman 19.62 20.21 20.82 4th year Apprentice Lineman 21.71 22.36 21.07 **Equipment Operator** 21.71 22.36 21.07 Groundman 17.76 16.74 17.24 Plant Maintenance Man/Operator 21.71 22.36 21.07 Apprentice 1st year 16.74 17.24 17.76 Apprentice 2nd year 18.18 18.72 19.29 Meter Reader 17.58 17.07 18.11 Meter Repairman 21.07 21.71 22.36 Electrician: 1st year Electrician 20.78 21.41 20.18 2nd vear Electrician 21.07 21.71 22.36 3rd year Electrician 22.53 23.20 23.90 Installer 1 13.04 13.43 13.83 Installer 2 14.30 14.73 15.17 Service Tech 1 15.56 16.03 16.51 Service Tech 2 17.34 17.86 16.83 System Tech 1 18.10 18.64 19.20 System Tech 2 19.38 19.97 20.57 System Tech 3 20.02 20.62 21.24 Advanced Tech 1 20.67 21.29 21.93 Advanced Tech 2 21.01 21.64 22.29 Advanced Tech 3 21.35 21.99 22.65 Working Foreman 21.70 22.35 23.02

All wages and benefits for this Agreement shall commence at 12:01 a.m. July 1, 2004. However, should the aforementioned date be on Saturday or Sunday, for the purposes of computing standby pay only, any employee assigned such duty shall be paid at the rate in effect at the time he commenced such standby duty and further such standby pay shall not be prorated for the above-mentioned weekend time period.

Regular pay periods shall be for two (2) full weeks ending on Tuesday. Paychecks shall be received on the following Friday.